



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	SB0392	Title:	Revise lodging facility and accommodation use taxes to encourage compliance
Primary Sponsor:	Brown, Dee	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: SB 392 requires the Department of Revenue to maintain a public listing of each facility that collects taxes pursuant to 15-65-112, MCA, and 15-68-102, MCA. SB 392 also clarifies the definitions of accommodations for Montana's accommodation sales and lodging facility use taxes to include townhomes and vacation homes. As the sales and use taxes already cover the rental of townhomes and vacation homes for periods of less than 30 days, SB 392 is not expected to generate any additional revenue for the state. In addition, the department does not expect to incur any additional costs as a result of SB 392.

FISCAL ANALYSIS

Assumptions:

- Under current law, accommodations and facilities that provide overnight sleeping facilities for periods of less than 30 days are required to pay a 4% lodging facility use tax and a 3% accommodations sales tax. Facilities covered under both taxes generally include hotels, motels, campgrounds, resorts, bed and breakfast facilities, and resorts. Townhomes and vacations homes that are rented for less than 30 days are also covered under the current law.
- SB 392 redefines the definitions of accommodations for the lodging facility use tax and accommodations sales tax to include townhomes and vacation homes that are rented for less than 30 days.
- The proposed definition change in SB 392 is primarily for clarification purposes, as both types of facilities are already covered by both taxes, as long as they are rented for periods of less than 30 days. As a result, the

proposed definitional changes are not expected to have any impact on the tax revenue generated by either tax.

4. Starting January 2016, SB 392 also requires the Department of Revenue to maintain a public listing of all the accommodation facilities that pay the accommodation sales tax and lodging facility use tax.
5. The Department of Revenue expects the creation of the public listing will require a minimal amount of work and any costs would be absorbed as part of routine system maintenance. As a result, the department does not expect to incur any significant costs as a result of SB 392.

Sponsor's Initials

Date

Budget Director's Initials

Date